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09 DEC -3 P1:30

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STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HARBORS DIVISION
79 SOUTH NIMITZ HIGHWAY
HONOLULU, HAWAII 96813-4898

IN REPLY REFER TO:

HAR-ED
8387.10

November 24, 2009

TO: AARON S. FUJIOKA
STATE PROCUREMENT OFFICER
STATE PROCUREMENT OFFICE

FROM: MICHAEL D. FORMBY
DEPUTY DIRECTOR - HARBORS

SUBJECT: RELOCATION OF MANAIKALANI BARGE TO HONOLULU HARBOR,
OAHU – JOB H. C. 10417

We request approval to amend the attached previously approved SPO Form 2 Emergency Procurement Request by increasing the price from \$125,000.00 to \$455,000.00.

Solicitation of bids for the subject project was accomplished through the Hawaii Electronic Procurement System (HEPS). The solicitation was posted on the system on June 18, 2009 with a bid submittal due date of June 26, 2009.

On June 26, 2009, a total of one bid was received with a price proposal of \$450,880.00. To date, the award of contract has been held up for two reasons:

1. An in depth engineering evaluation of the bid was conducted to determine reasonableness of the bidder's pricing. The evaluation, both through a paper review, meetings and discussions with the bidder was conducted.
2. While the above evaluation of the bid was ongoing, the Harbors Division received a serious inquiry from a Metropolitan Water District of Southern California (MWDSC) for immediate acquisition of two of our barges. The Harbors Division thought this to be a great opportunity for immediate disposition of two barges through direct negotiation.

Unfortunately, communications from the MWDSC unexpectedly ceased without notice. The Harbors Division then continued with and completed its evaluation of the bid received, and is satisfied that the pricing is fair and reasonable for intended scope. We would, therefore, like to proceed to award the contract through HEPS to the lowest responsible bidder based on the full

E.P. 09-024-D
fml.

Aaron S. Fujioka
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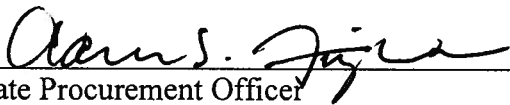
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scope of work. Note that subsequent to the award, we also intend to enter into a value engineering process with the contractor to reduce scope and price of the work by encouraging the contractor to utilize locally available construction equipment on island such as a land based crane instead of towing a crane barge from Honolulu to Maui, then back to Honolulu as proposed.

We also believe that re-advertising and re-bidding the project will not yield additional qualified bidders and will not produce in a significant price differential as the project criteria will not be changed or modified.

Thank you for your consideration of this request. Should you have any questions, please call me at 587-3651 or ask your staff to contact Marshall Ando of my staff at 587-1961.

APPROVED/~~DISAPPROVED~~:


State Procurement Officer

12/21/09
Date

Att.

CPO COMMENTS: Approval is granted to increase the price to this emergency procurement with the understanding that the department will work with the contractor to remove unnecessary costs to complete the scope of work by the most cost efficient method. Price approved not to exceed \$450,000.00.

*E.P. 09-024-D
And.*



09 APR 13 AM 12:21

STATE PROCUREMENT OFFICE
EMERGENCY PROCUREMENT REQUEST

STATE PROCUREMENT OFFICE
STATE OF HAWAII

7847.09

DATE: April 9, 2009

1. TO: Chief Procurement Officer
2. FROM: Director, Department of Transportation

Department/Division/Agency

Pursuant to §103D-307, HRS, and Subchapter 10, Chapter 3-122, HAR, the Department requests approval for the following:

3. Date 4/9/2009
4. After the fact ☐ YES ☒ NO
5. Nature of the Emergency
See Attachment A

6. Vendor: ~~Healy Pibbins Builders, Inc~~ *AKZ*
Address: ~~99-994 Iwaena Street Suite A~~
~~Aiea, HI 96701~~
7. Price:
\$125,000.00

8. Description of goods, services, or construction to be purchased
See Attachment A

9. Reason for Vendor Selection
See Attachment A

10. Direct questions to: Marshall Ando *MA* Phone: 808-587-1961

11. I certify that the information provided above is to the best of my knowledge, true and correct.

BA
Department Head

4-13-09
Date

12. Chief Procurement Officer's comments:

Approval is granted as an emergency procurement due to the potential risk of safety to the public in the event that the barge is not relocated as soon as possible out of Kahului Harbor with the following condition. Pursuant to HAR §3-122-90(b) competition shall be obtained to assure item is procured in time to meet the emergency will be open and fair to any other potential offeror. A solicitation for services shall be placed on HePS for a minimum of five (5) working days. In addition, agency shall include in their solicitation in the description field "This is an emergency procurement pursuant to HRS 103D-307 and HAR 3-122, Subchapter 10. See <http://hawaii.gov/spo2/emergency/EP-09-024-D>."

13.

☒ APPROVED ☐ DISAPPROVED ☐ NO ACTION REQUIRED

James J. [Signature]
Chief Procurement Officer

5/4/09
Date

14. E.P.No. *09-024-D*

ATTACHMENT A

Emergency Procurement Request

4/9/2009

Block 5. Nature of Emergency:

Hawaii Superferry abruptly shut down ferry operations in the State of Hawaii on March 19, 2009 following a March 16, 2009 decision by the Hawaii Supreme Court invalidating Act 2. Under the Operating Agreement, Hawaii Superferry operated, maintained and monitored the Kahului barge, utilizing tug assist for operations and emergency response to weather-related events. As a result of Hawaii Superferry's decision to leave Hawaii, Harbors Division had no option but to assume 24 hour responsibility for the Kahului barge. Based on historical weather-related events in Kahului Harbor, Harbors Division has grave concerns with keeping the barge in Kahului Harbor. First, Harbors Division does not have the manpower necessary to maintain 24 hour monitoring of the barge and its response to changing sea states. While history has shown that sea state conditions in Kahului Harbor can change in less than a two hour period, currently harbor contract security personnel is able to check on the barge every two hours. Second, the barge's soft line mooring system is particularly susceptible to slight increases in swell and surge within the harbor, meaning any slight increase in swell and surge may lead to uncontrollable collisions between the barge and the pier, potentially causing damage to the pier and/or barge. Structural damage to the barge and/or its mooring system could easily lead to the barge breaking free from the pier or ultimately sinking in the harbor due to structural damage. As shown by the prior occasions, the reaction time for personnel to observe changing weather conditions and subsequently respond with a call for tug assist is very short. Without the support of Hawaii Superferry personnel, Harbors Division is inadequately manned to cover this risk and the risk is at its highest now versus two months from now. As such, we need to take immediate steps to move the Kahului barge to the protected waters of Honolulu Harbor.

The U.S. Coast Guard (USCG) strongly supports the relocation of the Kahului Barge. Via email received on 4/3/09, the USCG strongly advised HDOT stating, "With the up-coming hurricane season we feel the current state and location of the barge in Kahului poses a risk to the port." Furthermore, the USCG stated, "I strongly agree that the best way ahead is to remove the risk to Kahului Harbor by moving the barge to a protected location."

The Kahului barge is currently moored at Kahului Harbor's Pier 2B on soft lines and HDOT does not have the resources to provide personnel for 24-hour barge watch. In the event of unanticipated high harbor swells and/or surge, the barge poses a significant risk of causing property damage, disrupting harbor operations and threatening human health and safety.

Block 8. Description of goods, services, or construction to be purchased:

The contractor shall perform an internal inspection and overall assessment of the Kahului barge's (Manaiakalani) interior compartments and exterior through the services of a registered Naval Architect who will be called upon to assess the barge's seaworthiness and prepare an inspection report with conclusions and recommendations for towing. The report will be available for review by the USCG. Following the written inspection report and identification of potential repairs or modifications, the contractor will coordinate with the USCG Maui District for proper authorization and gain authorization for a single voyage loading load-line authorization for a coastwise trip from Kahului Harbor to Honolulu Harbor. Coordination efforts with the USCG will be supported by DOT Harbors Division. Once USCG approval has been given, the contractor shall provide the labor, material and equipment to modify to the Kahului Barge for safe tow to Honolulu harbor and berthing in Honolulu Harbor. Prior to the tow, all modifications will be available for USCG inspection.

Block 9. Reason for Vendor Selection:

Healy Tibbitts Builders Inc. (HTBI) has tremendous background knowledge with respect to the ferry barges. HTBI was awarded the DOT Harbors Division design-build contract and was the designer of record on the Kahului Barge. In May 2007, HTBI towed the barge to Kahului Harbor for initial start-up operations in support of the Inter-Island Ferry Service. HTBI has the expertise and equipment to prepare the barge for tow, including the removal of the barge ferry apron, rigging the barge for tow and the hiring of a naval architect. HTBI selection is subject to availability.